(b) if so, what will be the modalities of such loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The State Bank of India (SBI) have reported that zero rated debentures are being made available sometimes to sick units covering unpaid interest as a part of rehabilitation packages, subject to the following conditions:

(i) Suitable charge is conceded on fixed assets as security.

(ii) Right to recompense will be exercised after the company has turned around.

(iii) Other banks/financial institutions involved in financing the sick company also extend similar facility proportionately.

Shareholdings by financial institutions

998 SHRI GAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Financial Institutions holding more than 50 per cent shares of the company are exploring the possibilities to bring a new promoter to rescue the company; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) In the absence of the name of a specific company the purport of the Question of the Hon'ble Member is not clear. It is, therefore, not possible to frame a reply.

Effect of Capital Inflow on Development

999 SHRI BISHAMBHAR NATH PANDE: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to the news item appearing in Hindustan Times dated 17th June, 1994 under the caption 'World Bank for the slow capital inflow' stating that the pumping of capital investment in India is having adverse effect on the development and, therefore, the slow capital investment will benefit India; and

(b) if so, whether the Government of India considered the recommendations of the World Bank and the reactions of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes Sir. Government of India are already aware of the likely inflationary potential of the recent large capital inflow. A number of steps have already been taken or contemplated by the Government and RBI to moderate the likely inflationary impact including steps to limit the fiscal deficit to 6 per cent of GDP for 1994-95; as well as tighter monetary controls, including rasing the cash reserve ratio of scheduled commercial banks and restricting their refinance facilities as well as tighter selective credit controls. Steps have also been taken to ease imports of sugar, raw cotton and edible oils and selective interventions made on the foodgrain markets through FCI by way of open market sale of rice and wheat.

Disinvestment of Shares of PSUs

1000 SHRI PARMESHWAR KUMAR AGARWALA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item appearing in the Indian Express of 22nd June, 1994 regarding disinvestment of shares of Public Sector Undertakings, indicating that after disinvestment in 1994-95, the Government holding will reduce from 25 per cent to 80 per cent in various PSUs;

(b) what is the rationale and basis for the policy of disinvestment in PSUs ranging from 25 per cent to 80 per cent;